GOVERNMENT OF INDIA
CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION
LOK SABHA

STARRED QUESTION NO:21
ANSWERED ON:20.02.2006
CUT IN FOOD SUBSIDY
Panda Shri Prabodh;Singh Shri Rajiv Ranjan (Lalan)

Will the Minister of CONSUMER AFFAIRS, FOOD AND PUBLIC DISTRIBUTION be pleased to state:

(a) the stock position of various foodgrains including wheat in the country as on date;

(b) whether the stocks have declined considerably below the buffer stocking norms;

(c) if so, the details thereof and the reasons therefor;

(d) whether the Government has decided to effect a cut in food subsidy on foodgrains being distributed under Public Distribution System, Targeted Public Distribution System and Antyodaya Anna Yojana;

(e) if so, the details and the reasons therefor;

(f) whether the Government is considering to reduce the monthly supply and hike the price of foodgrains under various food based welfare programmes to overcome the situation;

(g) if so, the details thereof for both the Above Poverty Line and Below Poverty Line categories, separately;

(h) the quantum of foodgrains released/likely to be released during 2004-05, 2005-06 and 2006-07 under the said programmes; and

(i) the steps taken to improve the stock position and contain the price rise in the country?

Answer

MINISTER OF AGRICULTURE AND MINISTER OF CONSUMER AFFAIRS, FOOD & PUBLIC DISTRIBUTION (SHRI SHARAD PAWAR)

(a), (b), (c), (d), (e), (f), (g), (h) &
(i): A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO
(i) OF THE STARRED QUESTION NO. 21 DUE FOR ANSWER ON 20.02.2006 IN THE LOK SABHA.

(a),(b)&(c): The stock of foodgrains in the Central Pool as on 1.1.2006 were 126.41 lakh tonnes of rice and 61.88 lakh tonnes of wheat against the buffer stocking norm of 118 lakh tonnes and 82 lakh tonnes respectively as on 1st January 2006. The stock of wheat was around 20 lakh tonnes below the buffer stocking norm of 1st January.

The decline of wheat stocks has been, inter-alia, due to increased offtake of foodgrains under the Targeted Public Distribution System (TPDS) and other welfare schemes, and lower procurement of wheat in comparison to the offtake.

(d), (e), (f)&(g): In order to rationalise the allocation of foodgrains under the Targeted Public Distribution System (TPDS), ensure that the food subsidy remains targeted towards poor households, and, keeping in view the reduced availability of foodgrains in the Central Pool, the Government took the following decisions on 6.1.2006:

(i) For Above Poverty Line (APL) households, allocation of foodgrains to State Governments to be fixed on the basis of 20 kg. per family per month from the earlier allocation of 35 kg. per family per month, or the offtake during 2004-05, whichever is lower.

(ii) For Below Poverty Line (BPL) and Antyodaya households, the allocation of foodgrains to States to be fixed on the basis of 30 kg. per family per month from the existing 35 kg. per family per month.

(iii) The APL Central Issue Prices (CIPs) of foodgrains, which were last fixed in July, 2001, to be revised upwards by Rs.85 per quintal and Rs.95 per quintal for wheat and rice respectively.

(iv) The BPL CIPs, which were last fixed in July, 2000, to be continued at the same level.

(v) The Antyodaya Anna Yojana (AAY) CIPs at Rs.2 per kg. and Rs.3 per kg. for wheat and rice respectively to be continued without

change.

However, the implementation of the above decisions has been postponed keeping in view representations from State Governments and political parties. Had these decisions been implemented, the resultant savings in food subsidy in a full year would have been around Rs.2496 Crore.

(h): The quantity of foodgrains released and likely to be released as per present projections during 2004-05 and 2005-06 is as under:-

(In lakh tonnes)

Year	2004-05			2005-06 (Projected)		
	Rice	Wheat	Total	Rice	Wheat	Total
TPDS	165	130	295	175	121	296
Other Scheme	65	41	106	61	50	111
Total	230	171	401	236	171	407

In respect of the year 2006-07, at the current levels of scales of issue, the offtake is likely to be around the same level as in the year 2005-06.

(i): To improve the stock position, the following steps have been taken:

(i) Measures to increase the procurement of wheat and rice in the coming procurement seasons;

(ii) Import of 5 lakh tonnes of wheat;

For keeping a check over prices, the following steps have been taken:-

(i) Daily monitoring of prices of foodgrains;

(ii) Release of additional stocks of wheat in the open market to contain the price rise in the country;

(iii) Freeze in the Central Issue Prices (CIPs) of foodgrains under the TPDS;

(iv) Ensuring adequate availability of foodgrains for TPDS and other welfare schemes in all States of the country.